

~~SECRET~~ **CONFIDENTIAL**

CENTRAL INTELLIGENCE GROUP

~~INTELLIGENCE REPORT~~

124620

COUNTRY Germany (French Zone)

DATE: 25X1A6a

SUBJECT Production and Export in Württemberg-Hohenzollern Industries

INFO.

DIST. 5 November 1947

25X1A6a

PAGES 2

ORIGIN

SUPPLEMENT

25X1X6

1. Textile Industry

Almost all the textile enterprises in Württemberg-Hohenzollern are working on French orders, for the most part exclusively. Raw materials (wool, cotton, and others) are imported from France and processed in the factories centered around Reutlingen. Production costs are calculated on the basis of the 1938 ceiling price, with a few increases allowed in exceptional cases; payment is made to the firms in marks. In spite of the unfavorable price scale, most proprietors of factories are fairly well satisfied because, through working on French orders, they have been able to retain their machinery, equipment, and the bulk of their working crews.

2. Musical Instruments

The largest firm for manufacturing musical instruments is Hohner in Trossingen, which since 1945 has been producing harmonicas and small and large accordions. Production is controlled by the French, and originally most products were sold to the occupation forces against purchase slips issued by Gouvernement Militaire and redeemed at prices slightly above the pre-war rate. This procedure was later (date not given) altered, so that five percent of production now goes to German consumers and ninety-five percent is exported to France, through Oficomex, which also provides trucks for transportation. The Hohner firm is threatened with decreased production soon because of exhaustion of raw materials (so far supplied from pre-war stocks) and lack of manpower, since most of its employees are part-time peasants and market-gardeners who are now forced to spend more time on the land to cope with the food situation.

Shortly before the war, Hohner, who has always had strong business connections with Switzerland, acquired shares in a Swiss firm manufacturing musical instruments. This firm has the patent of a musical toy which it believes would be a best seller: a machine which plays melodies through fixing plastic buttons in

CLASSIFICATION ~~SECRET~~

CONFIDENTIAL

REFERENCE CENTER LIBRARY

Document No.

NO CHANGE in Class.

DECLASSIFIED

Class. CHANGED TO: TS

Auth: Approved For Release 1999/09/08 : CIA-RDP82-00457R001000680004-6

Date: 1994

By: C13

This document is hereby regraded **CONFIDENTIAL** in accordance with the letter of 13 October 1988 from the Director of Central Intelligence to the Archivist of the United States.
New Review Date: 2008

CENTRAL INTELLIGENCE GROUP

~~CONFIDENTIAL~~

a musically-scaled strip. Although samples were produced in 1945, Hohner is holding back large-scale exploitation for fear of losing patent rights.

3. Shoes and Leather Goods

This industry, centered around Tuttlingen, produced about a million leather shoes in 1946, partly for the occupation army and partly for export to France by Oficomex, according to officials of the Württemberg-Hohenzollern Ministry of Economy. Production so far has employed raw materials on hand in 1945, with small supplementary amounts produced in the zone, but this latter source is decreasing because of lack of tanning substances. No raw material has been imported. Ten percent of current production is allowed for the German economy.

4. Surgical Instruments

The leading firm, Jetter & Scheerer, has no important competition. The bulk of production is exported through Oficomex. The firm employees are highly skilled, conscious of being experts and hard to replace, who have gone on strike three times against bad food conditions. Like Hohner, Jetter & Scheerer are withholding new instrument designs from production for fear of losing patent rights.

5. Watch and Clock Industry

Production of watches and clocks is greatly handicapped by dismantling and by raw material shortages. Junghans, which lost 1000 specialized machines by dismantling, now produces wrist watches at 15 to 25 RM and alarm clocks at 5 RM, exclusively for export to France. Kienzle, another large firm, also produces for French export, but at lowered capacity because of raw material difficulties, cheap watches at 2.50 to 12 RM. These and many other smaller firms have been operating on supplies in stock in 1945, which are now nearly exhausted. Under these circumstances, Württemberg is in danger of losing highly-trained workers.

25X1X6

Comment: Negotiations have been reported between the Württemberg watch industry and a French watch cartel, but no details are available.

6. Wood-Working Industry

This group has been working almost exclusively for export to France, particularly on pre-fabricated wooden house units. Sawmill owners were recently notified by the French that lumber production is to be increased sixty to eighty percent during the winter of 1947-1948.

~~This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50, U.S.C. 31 and 32 as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.~~

~~SECRET~~~~CONFIDENTIAL~~